

Message Text

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EXDIS

FOR THE SECRETARY FROM TOON

E.O. 11652: GDS

TAGS: PFOR, IS, EG, US

SUBJECT: ISRAELI ACTION IN THE GULF OF SUEZ - MEETING WITH RABIN

REFS: (A) STATE 220759 (B) STATE 221436

1. I CALLED ONPRIME MINISTER RABIN AT 1700 SEPTEMBER 8. I TOLD HIM YOUR HAD INSTRUCTED ME TO DISCUSS WITH HIM AS A MATTER OF HIGH PRIORITY THE SITUATION IN THE GULF OF SUEZ AND TO GET HIS THOUGHTS ON A MODUS OPERANDI. AS HE KNEW, I HAD PREVIOUSLY DISCUSSED THE SUBJECT WITH FOREIGN MINISTER ALLON, AND I ASSUMED HE HAD FULL REPORT ON OUR EXCAHNGE. WHEN RABIN CONFIRMED THIS WAS CASE, I THEN MADE POINTS AS MENTIONED REFTEL A.

2. WHEN I MADE THE POINT THAT WE HAVE NOT SUDDENLY CONFRONTED THE ISRAELIS WITH THIS SITUATION - AS THEY HAD ALLEGED - BECAUSE AMOCO HAS BEEN ATTEMPTING TO COMMENCE DRILLING OVER A MONTH, RABIN INTERRUPTED TO ASK WHEN WE FIRST NOTIFIED THE ISRAELIS OF AMOCO'S INTENTIONS TO DRILL, WHOM DID WE NOTIFY AND IN WHAT SPECIFIC AREA; I SAID MY UNDERSTANDING WAS THIS HAD TAKEN PLACE IN JULY BUT THAT I WOULD CHECK AND INFORM HIM LATER.

3. RESPONDING TO MY DEMARCHE, RABIN SAID IT WAS A PITY THAT WE HAD REACHED THIS POINT OF CONFRONTATION AS A RESULT OF AMOCO'S ATTEMPT TO DRILL IN THE GULF. IT WOULD HAVE BEEN MUCH BETTER FOR ALL
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CONCERNED IF WE HAD HAD A FULL EXCHANGE OF INFORMATION AND

VIEWS AT THE VERY BEGINNING. THE ISRAELIS NOW FACE A DIFFICULT SITUATION -- TODAY EGYPT WANTS TO DRILL IN THE RAMADAN FIELD, IN THE NEXT MONTH OR IN THE NEXT FEW MONTHS WHERE WILL THEY WANT TO DRILL? IT IS UNSATISFACTORY TO DEAL WITH THIS PROBLEM IN SUCH A WAY THAT THE ISRAELIS ARE REPEATEDLY FACED WITH NEW SITUATIONS ACCOMPANIED BY FLAMING HEADLINES.

4. IT IS BEST TO SIT DOWN AND SEE WHAT CONFRONTS US NOW AND WHAT LIES AHEAD. WE HAVE PROCEEDED THIS WAY IN THE PAST AND SATISFACTORILY RESOLVED OUR PROBLEMS. THIS WAS TRUE CONCERNING QUESTIONS RELATED TO THE MORGAN FIELD AND THE JAPANESE CONCESSIONS. WE HAD FOUND THAT WHERE WE WERE CONCERNED WITH CONCESSIONS GRANTED BEFORE 1967 ON WHICH IMPLEMENTATION HAD ALREADY BEGUN OUR PROBLEMS WERE MANAGEABLE. THERE WAS NO QUESTION OF A LEGALISTIC APPROACH IN THOSE DISCUSSIONS AND WE DEALT WITH THE PROBLEMS PRAGMATICALLY.

5. THE PRIME MINISTER WENT ON SAY THAT IT IS NOT CLEAR TO HIM WHAT HAS HAPPENED IN THE PRESENT SITUATION BUT IT APPEARS SOMEONE TRIED TO PLAY POLITICS WITH THIS ISSUE. HE AGREED WITH ALLON THAT EGYPT IS USING THE UNITED STATES - OR AT LEAST AN AMERICAN COMPANY - FOR ITS OWN POLITICAL REASONS. HE DID NOT MEAN TO IMPLY THAT THE U.S. DELIBERATELY COOPERATED WITH EGYPT, BUT CERTAINLY IF IT APPEARED THAT EGYPT INTENDED TO BRING A CONFRONTATION INVOLVING THE U.S. ISREL COULD NOT AFFORD TO IGNORE THIS POSSIBILITY.

6. WE FIND OURSELVES NOW FACING AN ISSUE BLOWN OUT OF PROPORTION. HE PREFERRED TO FORGET THE LEGAL ISSUES AND FELT THE BEST WAY TO PROCEED WAS TO HAVE A COOLING OFF PERIOD WHILE WE DISCUSS THE POLITICAL PROBLEMS AND, ABOVE ALL, EXCHANGE FULL INFORMATION ON WHAT LIES AHEAD. WE CANNOT HAVE A MEANINGFUL DISCUSSION AND MAKE AN INTELLIGENT DECISION IF IT APPEARS WE ARE TO CONFRONT A NEW SITUATION NEXT WEEK. WE MUST DO THIS CAREFULLY AND WITHOUT THE PRESSURE OF TIME.

7. RABIN SAID ISRAEL DOES NOT AGREE THAT AMOCO WILL LOSE ITS CONCESSION IF IT DOES NOT COMMENCE DRILLING BEFORE SEPTEMBER 21. HE THEN GAVE ME A COPY OF AN EXTRACT FROM THE EGYPT OFFICIAL

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GAZETTE OF 12/25/74 WHICH PUBLISHED THE TEXT OF THE AGREEMENT SIGNED BETWEEN GOE, THE EGYPT GENERAL PETROLEUM CORPORATION AND AMOCO. ANNEX F OF THE SUPPLEMENTAL AGREEMENT STATES THAT "EGPC RECOGNIZES THAT DUE TO SPECIAL CIRCUMSTANCES AMOCO MIGHT BE UNABLE TO ENTER THE AREA OR ANY PART THEREOF FOR CARRYING OUT THE OPERATIONS CONTEMPLATED UNDER THE AGREEMENT AND THEREFORE THE PARTIES THERETO HEREBY AGREE THAT ALL THEIR RIGHTS AND OBLIGATIONS UNDER THE AGREEMENT SHALL

BE SUSPENDED UNTIL THE COMMENCEMENT DATE. THE COMMENCEMENT DATE IS THE DATE SIX (6) MONTHS FROM THAT ON WHICH AMOCO SHALL HAVE THE AREA AVAILABLE FOR FREE AND UNRESTRICTED ACCESS FOR CARRYING OUT SAID OPERATIONS." HE SAID THIS WOULD APPEAR TO INDICATE THAT THE TIME PRESSURE WAS SOMETHING LESS THAN WE HAD BELIEVED.

8. THE PRIME MINISTER THEN SAID HE FELT MISTAKES HAD BEEN MADE ON EACH SIDE. HE SAID FIRING ON THE BUOYS HAD BEEN WRONG; HE HAD NOT KNOWN ABOUT IT NOR HAD PERES OR THE CHIEF OF STAFF. PERES HAD STATED TO THE CABINET THAT SHOOTING HAD NOT OCCURRED AND LATER HAD TO RETRACT HIS STATEMENT. AN INQUIRY HAS ESTABLISHED THAT A HIGH-RANKING OFFICER HAD APPROVED THE SINKING OF THE BUOYS BY GUNFIRE WITHOUT REFERRAL TO THE CHIEF OF STAFF ALTHOUGH THE NAVY'S INSTRUCTIONS HAD BEEN NOT TO OPEN FIRE. THE INQUIRY HAS ESTABLISHED THAT THE NAVY MADE A DISTINCTION BETWEEN OPENING FIRE IN SELF-DEFENSE AND SHOOTING TO SINK THE BUOYS; THE LATTER THE NAVY FELT WAS WITHIN ITS MANDATE TO PREVENT DRILLING. RABIN SAID HE WAS ASTOUNDED AND FELT THIS WAS AN UNSATISFACTORY EXPLANATION. HE SAID PERES WAS ALSO ASTOUNDED AND HAD HAD THE UNPLEASANT TASK OF REPORTING THE INCIDENT TO HIS CABINET COLLEAGUES.

9. RABIN SUGGESTED THE FOLLOWING STEPS:

- 1) A COOLING OFF PERIOD FOR A WEEK OR SO DURING WHICH NEITHER SIDE IS EXPECTED TO CHANGE ITS POSITION;
- 2) AN IMMEDIATE EXCHANGE OF INFORMATION REGARDING THE FACTS WHICH MUST BE STUDIED. THIS EXCHANGE COULD BE CARRIED OUT EITHER BY EXCHANGE OF NOTES OR BY A MEETING EITHER HERE OR IN WASHINGTON;
- 3) IN THE MEANTIME, PLAY DOWN THE SITUATION. RABIN PRAISED SECRET

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THE DEPARTMENT SPOKESMAN'S STATEMENT AT THE SEPT. 7 PRESS BRIEFING AS CONTRIBUTING TO A BETTER ATMOSPHERE. HE SAID HE HAD ATTEMPTED TO DO THE SAME THING TODAY IN A RESPONSE TO A PLANTED QUESTION. HE SAID WE MUST STUDY THE PARAMETERS OF THE PROBLEM WITHOUT DEADLINES SO THAT EACH SIDE IS FULLY AWARE OF WHAT IS INVOLVED IN THE SEARCH FOR A SOLUTION. WITHOUT SUCH INFORMATION AT HAND, HE COULD NOT COMMIT ISRAELIS TO A DEFINITE DISTANCE EAST OF THE MEDIAN LINE WITHIN WHICH IT WOULD PERMIT DRILLING. HE NOTED THAT IN PREVIOUS CASES DRILLING HAD BEEN PERMITTED ACROSS THE MEDIAN LINE BUT WITHIN MODEST DISTANCES.

9. I ASKED HIM IF HE COULD GIVE ME A ROUGH IDEA AS TO HOW FAR THE ISRAELIS WOULD PERMIT DRILLING BEYOND WHAT THEY CALLED THE MEDIAN LINE. RABIN SAID HE COULD NOT ANSWER THAT UNTIL HE HAS HAD AN OPPORTUNITY TO STUDY THE SITUATION O SEE PRECISELY WHAT THE

TERMS OF THE AMOCO CONCESSION ARE.

10. I SAID I WOULD REPORT HIS VIEWS AND I AGREED THE BEST IMMEDIATE ACTION WOULD BE TO TAKE THE HEAT OUT OF THE SITUATION. RABIN ASKED ME TO LET HIM KNOW SOONEST AS TO WHERE AND WHEN WE WANT DISCUSSIONS TO TAKE PLACE. I SAID I FELT OUR POSITION WOULD BE THAT THE AMOCO OPERATIONS UNDER ITS 1964 CONCESSION NOT BE RESTRICTED, BUT RABIN SAID HE CANNOT COMMIT HIMSELF TO THAT POINT UNTIL HE EXAMINES FULLY WHAT IS INVOLVED AND HOW FAR GEOGRAPHICALLY THE CONCESSION EXTENDS.

11. WE AGREED THAT IN RESPONSE TO ANY MEDIA INQUIRY REGARDING OUR SESSION, WE WOULD SAY SIMPLY WE HAD MET AS PART OF OUR CONTINUING DISCUSSIONS OF THE GENERAL SUBJECT OF OIL EXPLORATION IN GULF OF SUEZ.

12. IN A PRIVATE TALK AFTER AIDES WERE DISMISSED, RABIN ASSURED ME HE FELT PROBLEM WAS MANAGEABLE, BUT HE NEEDED A LITTLE TIME TO STUDY THE PROBLEM IN ALL ITS RAMIFICATIONS IN ORDER TO BE SURE HE CLEARLY UNDERSTANDS WHAT LIES AHEAD. HE SAID NEITHER OF US WANTS OR NEED THIS SORT OF CONFRONTATION BETWEEN US AND HE HOPES WE CAN WORK OUT A PRACTICAL SOLUTION WITHOUT DELAY. I AGREED.
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